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ADDITIONAL INFORMATION

TO MEMBERS OF THE COMMERCIAL AUTOMOBILE COMMITTEE

FOR THE MEETING OF:

Wednesday, May 27, 2026, at 10:30 a.m.

CAC
26.08 Cost of Hire Coverage

The Committee should be prepared to discuss the proposed amendments to Rule 28 – Hired Auto Coverage which are intended to clarify the rating instructions (Docket #CAC26.08, Exhibit #2).

WENDY BROWNE
Vice President – Business Operations

Attachment

Boston, Massachusetts
May 20, 2026

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Liability Coverage for Volunteers Endorsement CA 05 24; or
Partners Or Members As Insureds Endorsement CA 05 25.

- C. Unless there is a substantial change in exposure during the policy period, the advance premium is the earned premium.

RULE 28. HIRED AUTOMOBILES

- A. Primary Coverage For automobiles hired, loaned, leased, or furnished:

~~1. Applies~~ If the insured is providing the primary insurance for an covering the automobile that is hired, loaned, leased, or furnished for at least and the term of the lease is six months, or more:

~~1. a.~~ Rate as though owned by the insured; and

~~2. b.~~ if the policy is extended to cover the owner of the automobile as an additional insured, multiply the otherwise applicable bodily injury liability and property damage liability rates by 1.04. Use Lessor – Additional Insured and Loss Payee Endorsement MM 20 26, and, if applicable Additional Insured – Owner of Leased Vehicle MM 20 25.

~~2. If the owner of the automobile is providing the primary insurance, refer to the Rate Section.~~

~~3. 3.~~ If a lessor is an employee of the insured, use Employee As Lessor Endorsement CA 99 47 to indicate that the automobile will be considered an automobile that you own.

~~4. Primary coverage is not available for automobiles that are hired, loaned, leased, or furnished for less than six months.~~

- B. Excess Coverage Cost of Hire Basis—Liability Coverages (Class Code 66110, Minimum Premium Class Code 66190)

Applies if the owner of the vehicle is providing the primary coverage for an automobile that is hired, loaned, leased or furnished to the insured. Excess Coverage is determined on a cost of hire basis, as follows:

~~1. 1.~~ For automobiles used in trucking or motor carrier operations, refer to Rule 55 – Premium Development Options for

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Truckers/Motor Carriers in Section III – Trucks, Tractors and Trailers of this Manual.

2. For all other classifications, refer to the Rate Section.

3. 2.—For public transportation automobiles, (other than social service agencies), moving van associations and freight forwarding operations, the cost of hire rate is determined by applying a factor of .0033 to the specified car rate determined in accordance with the appropriate manual rule for the applicable automobile.

4. 3.—If a volunteer rents or hires an auto in a volunteer’s name for the purposes of performing duties related to the insured’s business, use Volunteer Hired Autos Endorsement CA 04 39 to indicate that the automobile will be considered a covered auto.

RULE 29. RESERVED FOR FUTURE USE

RULE 30. MEDICAL PAYMENTS

- A. The premiums for trucks, tractors, trailers, public automobiles, private passenger types and miscellaneous private passenger types are on the rate pages.
- B. For zone rated risks, refer to Zone Rating Tables.
- C. For auto dealer risks, refer to Rule 89 – Medical Payments Insurance in Section VI – Auto Dealers of this Manual.

No charge shall be made for service or utility trailers.

RULE 31. OPERATOR EXCLUSION FORM

The Servicing Carrier will attach the Operator Exclusion Form, CR 99 01-, to the policy in regard to any owner of the business who is not listed as an operator on the application and does not have a valid license, or in other circumstances as requested by the insured. A separate endorsement should be completed for each excluded operator.

RULE 32. RESERVED FOR FUTURE USE.